

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye
Marshall Johnson
Ken Nickolai
Thomas Pugh
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of Interstate Power's Annual
Safety, Reliability, and Service Quality Report
under Minnesota Rules Chapter 7826

ISSUE DATE: October 12, 2006

DOCKET NO. E-001/M-06-482

In the Matter of Minnesota Power's Annual
Safety, Reliability, and Service Quality Report
under Minnesota Rules Chapter 7826

DOCKET NO. E-015/M-06-503

In the Matter of Otter Tail Power Company's
Annual Safety, Reliability, and Service Quality
Report under Minnesota Rules Chapter 7826

DOCKET NO. E-017/M-06-516

In the Matter of Northern States Power
Company d/b/a Xcel Energy's Annual Safety,
Reliability, and Service Quality Report under
Minnesota Rules Chapter 7826

DOCKET NO. E-002/M-06-532

In the Matter of Northwestern Wisconsin
Electric Company's Annual Safety, Reliability,
and Service Quality Report under Minnesota
Rules Chapter 7826

DOCKET NO. E-016/M-06-622

ORDER ACCEPTING ANNUAL REPORTS,
SETTING RELIABILITY STANDARDS,
AND SETTING ADDITIONAL FILING
REQUIREMENTS

PROCEDURAL HISTORY

Interstate Power and Light: E-001/M-06-482

On March 29, 2006, Interstate Power and Light Company (Interstate) filed its Annual Service Quality Report for 2005 and filed a Supplement on April 26, 2006.

On May 31, 2006, the Minnesota Department of Commerce (the Department) filed comments.

Minnesota Power Company

On March 31, 2006, Minnesota Power Company (MP) filed its Annual Service Quality Report for 2005 and filed a Supplement on May 1, 2006.

On June 2, 2006, the Minnesota Department of Commerce (the Department) filed comments.

Otter Tail Power Company

On March 30, 2006, Otter Tail Power Company (OTP) filed its Annual Service Quality Report for 2005 and filed a Supplement on April 26, 2006.

On May 31, 2006, the Minnesota Department of Commerce (the Department) filed comments.

On June 12, 2006, Otter Tail filed reply comments.

Xcel Energy

On April 3, 2006, Xcel Energy (Xcel) filed its Annual Service Quality Report for 2005.

On June 2, 2006, the Minnesota Department of Commerce (the Department) filed comments.

On June 12, 2006, Xcel filed reply comments.

Northwestern Wisconsin Electric Company

On April 19, 2006, Northwestern Wisconsin Electric Company (NVEC) filed its Annual Service Quality Report for 2005.

On May 24, 2006, the Minnesota Department of Commerce (the Department) filed comments.

The Commission met to consider these matters on September 14, 2006.

FINDINGS AND CONCLUSIONS

I. Summary of the Order

In this Order, the Commission reviews and accepts the annual safety, reliability, and service quality reports for 2005 filed by the five utilities in these dockets. See Order Paragraphs 1, 4, 7, and 10.

The Commission also sets reliability standards for 2006 for these companies. See Order Paragraphs 2, 5, 8, and 11.

Finally, the Commission notes filing requirements previously imposed on the companies for their 2006 service quality reports (to be filed on or before April 1, 2007) and adds specific further reporting requirements for each utility. See Order Paragraphs 3, 6, 9, 12, and 15.

II. Annual Reports

During the 2001 session the Minnesota Legislature enacted Minn. Stat. § 216B.81, which requires the Commission to adopt standards on safety, reliability, and customer service for investor-owned electric distribution utilities.

Accordingly, the Commission has adopted rules were requiring annual filings of safety, reliability, and service standards by all regulated utilities, starting in 2003. See Minn. Rules, Chapter 7826.

The Department has reviewed the utilities' filings covering the year 2005 and has recommended that they be accepted. Based on the Department's analysis and recommendation and its own review, the Commission will accept the utilities' filings for 2005.

III. Reliability Standards Applicable During 2006

In addition to reporting on performance during the previous year, the utilities' annual filings are to propose reliability goals for the current year. See Minn. Rules, Chapter 7826. The statute mandating adoption of reliability standards specified using three reliability metrics: the System Average Interruption Duration Index (SAIDI), the System Average Interruption Frequency Index (SAIFI), and the Customer Average Interruption Duration Index (CAIDI).

The Department has reviewed the SAIDI, SAIFI, and CAIDI standards proposed by the utilities and has recommended that the Commission adopt all of them. Based on the Department's analysis and recommendation and its own review, the Commission will accept the utilities' proposed reliability standards for the current year, 2006.

IV. Future Reporting Requirements: the Report Due on or Before April 1, 2007

In its April 7, 2006 Order reviewing the utilities' service quality reports covering 2004, the Commission stated:

The Commission also concurs with commenting parties that the additional information sought by its staff will be helpful in examining reliability issues during future reporting cycles. This information relates primarily to the reliability impact of utilities' tree-trimming policies, to the unique characteristics of specific distribution systems, to company-specific reporting anomalies, and to developing methods to streamline the outage reporting process.

The affected utilities agreed to supply the requested information in their 2007 filings, and the Commission will so require.

The requirements this established are set forth in the April 7, 2006 Order in Order Paragraphs 3-9, 11, 12, and 14 - 16.

In addition to these requirements, the Commission has found during its current review that additional information would be helpful to its review. No utility has objected to providing these additional items and the Commission will add these further requirements in this Order. See Order Paragraphs 2, 4, 6, 8, and 10.

ORDER

Interstate: E-001/M-06-482

1. The Commission hereby accepts Interstate's April 12, 2006 Quality Report.
2. Interstate's reliability standards for 2006 are hereby set at the levels proposed by IPL and summarized on page 11 of the DOC's May 31, 2006 comments:

Table 3: Interstate's Reliability Indices — Department Recommended 2006 Goals

Work Center	SAIDI	SAIFI	CAIDI
Winnebago	65.27	0.91	72.04
Albert Lea	67.75	0.93	73.17

3. In addition to the reporting requirements imposed on Interstate in the Commission's April 7, 2006 Order for the Company's Annual Report due on or before April 1, 2007,
 - a. Interstate shall explain to the Commission when and if any maintenance staff cuts have been and what they plan to do about improving its reliability without these personnel;
 - b. Interstate shall provide a service territory map showing the location of each substation and a list of which substations and feeders are serviced by each work center; and
 - c. Interstate shall submit information about its progress in developing a transformer load management program and information about what distribution transformer overload criterion is being used before upgrading to a larger size.

Minnesota Power: E-015/M-06-503

4. The Commission hereby accepts MP's April 1 Service Quality Report.
5. MP's reliability standards for 2006 are hereby set at the levels proposed by MP and

summarized on page 9 of the Department's June 2, 2006 comments: SAIDI= 143.33; SAIFI= 1.19; CAIDI = 120.45.

6. In addition to the reporting requirements imposed on MP in the Commission's April 7, 2006 Order for the Company's Annual Report due on or before April 1, 2007,
 - a. MP shall explain to the Commission when and if any maintenance staff cuts have been and what they plan to do about improving its reliability without these personnel;
 - b. MP shall provide a service territory map showing the location of each substation and a list of which substations and feeders are serviced by each work center; and
 - c. MP shall submit information about its progress in developing a transformer load management program and information about what distribution transformer overload criterion is being used before upgrading to a larger size.

Otter Tail Power Company: E-017/M-06-516

7. The Commission hereby accepts OTP's April 1, 2006 Service Quality Report.
8. OTP's reliability standards for 2006 are hereby set at the levels proposed by OTP and summarized on page 12 of the Department's May 31, 2006 comments:

Work Center	SAIDI	SAIFI	CAIDI
Bemidji	70.00	1.25	56.00
Crookston	80.00	1.55	52.00
Fergus Falls	80.00	1,35	59.30
Milbank	115.00	2.10	55.00
Morris	90.00	1.55	58.00
Wahpeton	90.00	1.60	56.30

9. In addition to the reporting requirements imposed on OTP in the Commission's April 7, 2006 Order for the Company's Annual Report due on or before April 1, 2007,
 - a. OTP shall explain to the Commission when and if any maintenance staff cuts have been and what it plans to do about improving its reliability without these personnel;
 - b. OTP shall provide a service territory map showing the location of each substation and a list of which substations and feeders are serviced by each work center;

- c. OTP shall submit information about their progress in developing a transformer load management program and information about what distribution transformer overload criterion is being used before upgrading to a larger size; and
- d. OTP shall revise its outage reporting system to differentiate between momentary and sustained outages

Xcel: E-002/M-06-532

- 10. The Commission hereby accepts Xcel's April 1, 2006 Service Quality Report.
- 11. Xcel's reliability standards for 2006 are hereby set at the levels proposed by Xcel and summarized on page 14 of the Department's June 2, 2006 comments:

		Proposed 2006 Goals
Metro East	SAIDI	121.14
	SAIFI	1.19
	CAIDI	101.39
Metro West	SAIDI	152.86
	SAIFI	1.36
	CAIDI	112.44
Northwest	SAIDI	106.03
	SAIFI	1.06
	CAIDI	99.68
Southeast	SAIDI	98.72
	SAIFI	0.96
	CAIDI	103.11

- 12. In addition to the reporting requirements imposed on Xcel in the Commission's April 7, 2006 Order for the Company's Annual Report due on or before April 1, 2007,

- a. Xcel shall explain to the Commission when and if any maintenance substantial staff cuts have been and what it plans to do about improving its reliability without these personnel;
- b. Xcel shall provide a service territory map showing the location of each substation and a list of which substations and feeders are serviced by each work center;
- c. Xcel shall provide information about what distribution transformer overload criterion is being used before upgrading to a larger size, but shall not be required to submit information about its progress in developing a transformer load management program because Xcel will not be initiating a transformer load management program; and
- d. Xcel shall make complete comments about the causes and follow ups on its major distribution system outage notification reports.

Northwestern Wisconsin Electric Company: E-016/M-06-622

- 13. The Commission hereby accepts Northwestern Wisconsin Electric Company's (NWECE's) April 1, 2006 Service Quality Report.
- 14. NWECE's reliability standards for 2006 are hereby set at the levels proposed by NWECE and summarized on page 7 of the Department's May 24 June 2, 2006 comments: SAIDI = 296.08; SAIFI = 2.65; and CAIDI= 111.53.
- 15. In addition to the reporting requirements imposed on NWECE in the Commission's April 7, 2006 Order for the Company's Annual Report due on or before April 1, 2007, NWECE shall provide a service territory map showing the location of each substation and a list of which substations and feeders are serviced by each work center.
- 16. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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